

**From:** Mark.Varsel@frit.frb.org@inetgw  
**To:** Microsoft ATR  
**Date:** 1/25/02 5:46pm  
**Subject:** Microsoft Settlement

Dear Sir,

Any settlement with Microsoft, short of breaking the corporation into smaller business units, is a mistake. As much as Bill Gates would like to contend that Microsoft has advanced personal computing, his company has done immeasurable damage to the PC industry. Microsoft has stifled innovation with its practice of buying the competition. For years, if Microsoft could not successfully compete with a company, they bought the company and shut it down. This practice is easily demonstrated by Microsoft's inferior implementation of data compression and memory management. Microsoft first incorporated data compression into its Windows operating system, which put Stacker Electronics out of business. Microsoft offered its version of disk compression for free. The Quarterdeck Company had superior memory management utilities (QEMM) and multi-tasking software. Microsoft incorporated inferior memory management capabilities into its OS which led to the downfall of Quarterdeck and forever stifled further innovations in each of these areas. In the same way, Microsoft has unfairly crippled Netscape by incorporating its inferior web browser into its OS. Giving away an inferior product that will get a user by is a sure way to stifle further innovation. Stifling innovation at the expense of limiting competition is wrong.

Unfortunately, with the current state of computing, most users will never know what innovations and advancements would have been possible had Microsoft not had a free hand to kill the competition with the power of its monopoly. It is for this very reason that monopolies are illegal.

The government should not give in to Microsoft and Microsoft should be forced to pay for the damage that has been done to the PC industry.

Sincerely,  
Mark Varsel